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ARIZONA LABOR MARKET INFORMATION NEWSLETTER

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Unemployment Rate

Seasonally Adjusted
October *

ARIZONA	–	4.6%
Maricopa Co.	–	3.7
Pima Co.	–	3.6
United States	–	5.7

Consumer Price Index

U.S. – October 1990
Base = 1982-84

Wage Earner/Clerical Worker	–	131.9
% Chg. Year Ago	–	6.2
All Urban	–	133.5
% Chg. Year Ago	–	6.3

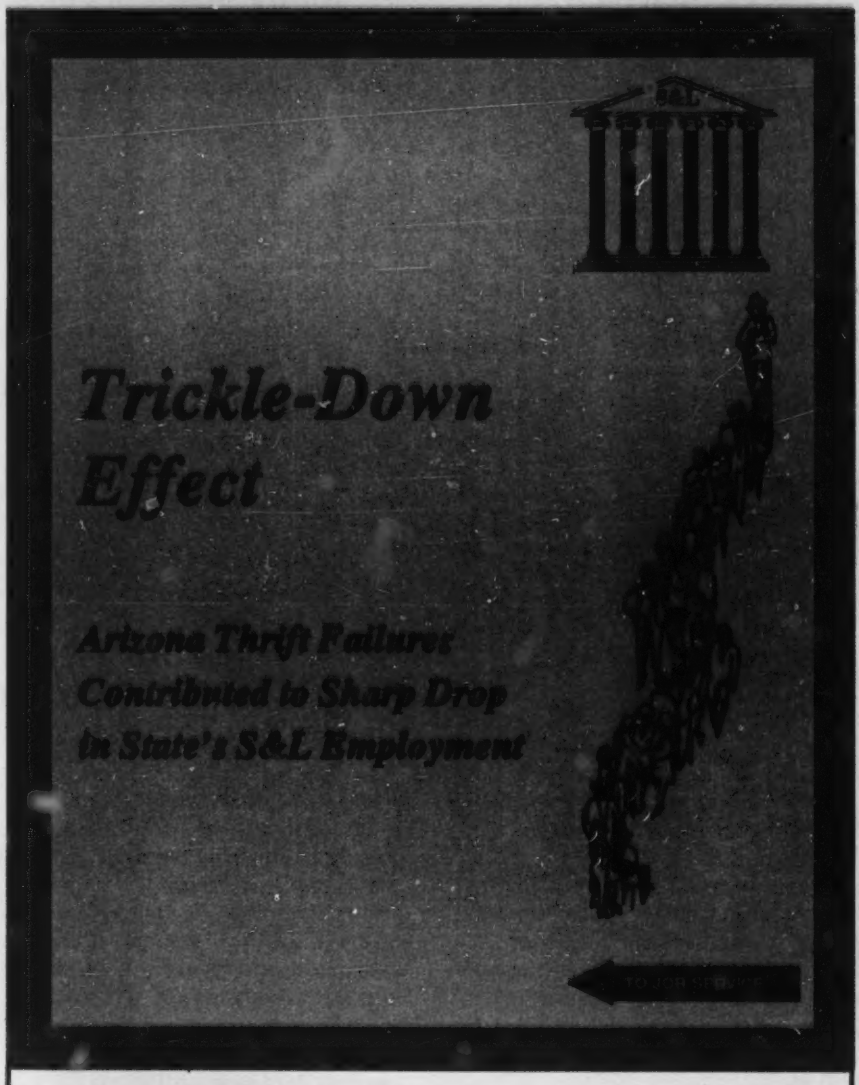
Phoenix – 3rd Qtr 1990
Base = 1982-84

All Urban	–	133.8
% Chg. Year Ago	–	5.4

Tucson – 3rd Qtr 1990
Base = 1982-84

All Urban	–	131.3
% Chg. Year Ago	–	4.7

* Preliminary



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Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

S&L Employment in State Dropped as Thrifts Failed

On February 6, 1989, President Bush unveiled a comprehensive reform package as a response to the deterioration of the thrift industry and its potential impact on banks. A year earlier, thrift resolution costs for the country were more than three times the total for the entire 1980-87 period.[1]

The federal legislation, formally known as the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), was signed into law on August 9, 1989. Created as a part of the legislation, the Resolution Trust Corporation (RTC) was assigned the task of merging or liquidating existing insolvent savings and loan associations and any that failed in the following three years.

Although thrift resolution costs for the United States skyrocketed in 1988, no Arizona thrifts were declared insolvent that year. In 1989, however, six savings and loans in the state — Universal, Western, Security, Southwest, Lincoln, and Sun State — were declared insolvent and placed into conservatorship.

It is with this in mind that the question arises, "What happened to employment in depository institutions in Arizona in 1988 and 1989 and, more specifically, employment in savings institutions?"

For this article, employment data generated and compiled by state and federal Unemployment Insurance (UI) programs were analyzed.[2] These UI programs categorize employment by industry using codes of the Standard Industrial Classification (SIC) Manual —1987.[3]

Employment Data

From January 1988 through December 1989, employment in Arizona depository institutions (Major Group 60) fell 585 (1.7 percent), from 33,473 to 32,888.[4] While this drop was not insignificant, employment at the industry-group (three-digit) level showed significant movement during this two-year period.

The SIC manual divides employment in depository institutions (Major Group 60 in the finance, insurance, and real estate (FIRE) division) into six industry (three-digit) groups. Following are the SIC code and official title of industry groups within depository institutions:

Code	Title[5]
601	Central Reserve Depository Institutions
602	Commercial Banks
603	Savings Institutions
606	Credit Unions
608	Foreign Banking and Branches and Agencies of Foreign Banks
609	Functions Related to Depository Banking

As extracted from Table 1, employment changes at the industry-group level within depository institutions (Major Group 60) between January 1988 and December 1989 were:

Industry Group	Amount
Commercial Banks	1991
Savings Institutions	-4338
Credit Unions	159
Functions Related to Depository Banking	1603
Total, Depository Institutions	-585

Savings institutions was the only industry group within depository institutions to experience employment losses over this two-year period, declining 4,338, or a 42 percent drop from January 1988 levels. However, 2,808 (27 percent) of this loss can be explained by a shift of employees from one industry to another as a result of non-economic code changes that were made effective at the beginning of 1989.[6] (see, "Establishments' SIC Codes ...," p. 2)

Non-economic code changes for 1988, reported in the first quarter of 1989, moved 2,804 employees from savings institutions to commercial banks, and an additional four employees to other areas.[7] The net result was a loss of 2,808 employees in savings institutions. But overall, depository institutions showed a net gain of 131 from non-economic code changes. (Data in Table 1 reflects all code changes (economic, non-economic, and changes from unclassified).)

Following are employment fluctuations due to non-economic code changes that occurred at the three-digit level between January 1988 and December 1989:

Industry Group	Amount
Commercial Banks	2927
Savings Institutions	-2808
Credit Unions	0
Functions Related to Depository Banking	12
Total, Depository Institutions	131

Establishments' SIC Codes Revised for Variety of Reasons

From time to time, business establishments change location, ownership, or industrial activity. When this occurs, previously assigned Standard Industrial Classification (SIC) codes must be updated.

Code changes fall into one of three categories. Simplified definitions are:

- Non-economic — Due to a revision of the coding structure, to correct codes that were incorrectly assigned, or a gradual shift (taking longer than 30 days) in activities of the establishment reporting units. Non-economic code changes, except those resulting from structural changes in coding manuals, are usually made effective at the beginning of the following calendar year to avoid unrealistic fluctuations in data and skewing of yearly averages.
- Economic — Due to a change in industrial activity, ownership, or location that occurs in a period of less than 30 days. Economic code changes are usually made effective as near as possible to the time that the changes occurred.

(Continued on page 10)

Table 1. Monthly Employment and Net Change by Industry Group, Arizona Depository Institutions, 1988-March 1990

	602	CHG	603	CHG	606	CHG	609	CHG	60	CHG
1988										
Jan	16670	—	10256	—	1658	—	4889	—	33473	—
Feb	16675	5	10132	-124	1650	-8	4919	30	33376	-97
Mar	16569	-106	10134	2	1687	37	5036	117	33426	50
Apr	16442	-127	9870	-264	1692	5	5109	73	33113	-313
May	16226	-216	9900	30	1695	3	5195	86	33016	-97
Jun	15906	-320	10107	207	1698	3	5210	15	32921	-95
Jul	15675	-231	9658	-449	1689	-9	5192	-18	32214	-707
Aug	15538	-137	9888	230	1687	-2	5287	95	32400	186
Sep	15416	-122	9750	-138	1699	12	5333	46	32198	-202
Oct	15441	25	9925	175	1708	9	5357	24	32431	233
Nov	15439	-2	9866	-59	1716	8	5423	66	32444	13
Dec	15420	-19	10051	185	1874	158	5419	-4	32764	320
1989										
Jan	18512	3092	6868	-3183	1740	-134	5530	111	32649	-115
Feb	18525	13	6801	-67	1734	-6	5703	173	32763	114
Mar	18773	248	6829	28	1716	-18	5798	95	33116	353
Apr	18024	-749	6533	-296	1757	41	6350	552	32664	-452
May	18026	2	6483	-50	1751	-6	6512	162	32772	108
Jun	17977	-49	6241	-242	1759	8	6541	29	32518	-254
Jul	18103	126	6052	-189	1766	7	6253	-288	32174	-344
Aug	18239	136	5989	-63	1770	4	6282	29	32280	106
Sep	18359	120	5933	-56	1780	10	6291	9	32363	83
Oct	18471	112	5989	56	1739	-41	6324	33	32523	160
Nov	18515	44	5954	-35	1844	105	6352	28	32665	142
Dec	18661	146	5918	-36	1817	-27	6492	140	32888	223
Jan 89 - Dec 89		1991		-4338		159		1603		-585
1990										
Jan	18401	-260	5287	-631	1809	-8	6520	28	32020	-868
Feb	18528	127	5340	53	1804	-5	6291	-229	31966	-54
Mar	18442	-86	5271	-69	1796	-8	6662	371	32174	208
Dec 89 - Mar 90		-219		-647		-21		170		-714

Notes:

CHG = Month-to-Month Change
602 = SIC 602: Commercial Banks
603 = SIC 603: Savings Institutions
606 = SIC 602: Credit Unions
609 = SIC 609: Functions Related to Depository Banking
60 = SIC 60: Depository Institutions (Major Group 60)

Source: Arizona Department of Economic Security, Research Administration, 1988-1990

Analysis

Even without the losses due to non-economic changes, UI employment data indicate a downward trend in employment in savings institutions in the two-year period analyzed (Figure 1).[8] And this trend continued into the first quarter of 1990, with employment in savings institutions falling an additional 647.[9]

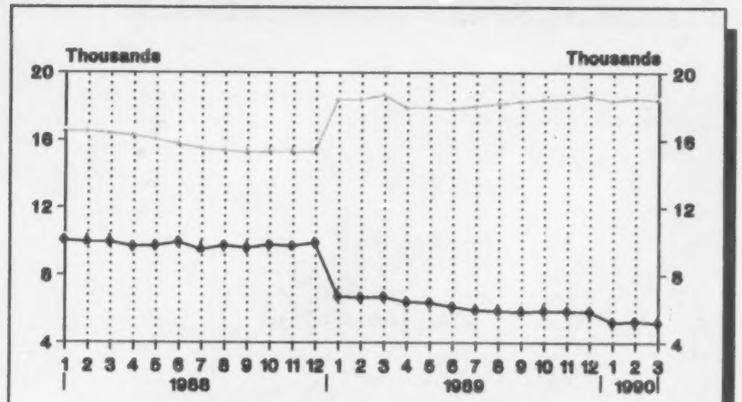
While employment in savings institutions showed a steady downward trend during 1989 and 1990, employment in commercial banks had an inconsistent upward trend during the same period. Employment in commercial banks in 1988 decreased in every month except February and October, and employment gains in those months were small.

This pattern changed in 1989, when losses in April and June offset most of the increase experienced in the other months. Employment in the first quarter of 1990 has shown some fluctuations, with January 1990 levels down 260 from December 1989, February employment up 127 from January, and March employment down 86 from February.

Further shifts in employment from savings institutions to commercial banks — as a result of the recent sales of Western Savings and Loan Association and Merabank to BankAmerica Arizona — should show up in later 1990 data. And as the RTC continues to auction insolvent thrifts, employment in savings institutions should continue its downward spiral.

—Dennis Doby
RA Economist

Figure 1. Employment at Savings Institutions and Commercial Banks In Arizona, 1988-March 1990



Source: Arizona Department of Economic Security, Research Administration, 1988-1990

Footnotes:

1. Cole, Rebel A., "Thrift Resolution Activity: Historical Overview and Implications," *Federal Reserve Bank of Dallas Financial Industries Studies*, May 1990, pp. 1-11.

2. Employment data used in this analysis are the product of a federal-state cooperative program in which state employment security agencies (SESAs) prepare summaries of employment and total pay of workers covered by unemployment insurance (UI) legislation. The summaries are a by-product of the administration of State Unemployment Insurance programs that require most employers to pay quarterly taxes based on the employment and wages of workers covered by UI.

3. The Standard Industrial Classification (SIC) system is the statistical classification standard underlying all establishment-based federal economic data. The structure of the SIC system makes it possible to tabulate, analyze, and publish employment data on four levels, according to the amount of industry detail considered most appropriate: The four levels are: division (one digit), major group (two digit), industry group (three digit), and industry code (four digit).

4. In 1988 and 1989, no employment in Arizona was classified in industry groups 601 and 608. Therefore, the change in employment in depository institutions was equal to the sum of the changes occurring at commercial banks, savings institutions, credit unions, and functions related to depository banking (industry groups 602, 603, 606, and 609).

5. Included in the SIC manual is a list of standard short titles that federal agencies may use in their publications.

6. Non-economic code changes in 1988 were held to the following year to avoid unrealistic fluctuations, thus distorting yearly averages. Any changes not reported in time to be made effective at the beginning of 1989 were carried over to the beginning of 1990.

7. Code changes are made at the four-digit industry level and can be found in the *Code Change Supplement*, which is created from the Annual Refiling Survey Control File. Data on two-, three-, and four-digit industry levels can be found in the *Code Change Supplement*. Data are classified by ownership type. Code changes referenced in this article apply only to private ownership. Due to changes in reporting requirements by BLS, there should be fewer non-economic code changes in 1990 data.

8. Because it takes six months to tabulate, analyze, and publish establisment data generated by the UI system, only first quarter 1990 data are currently available for analysis.

9. Part of this loss may be attributed to a carry-over from the Annual Refiling Survey of 1989.

The Arizona Labor Force in October

Arizona's economy continues to outperform the nation's, registering an unemployment rate of 4.6 percent in October, down three-tenths of a point from September and more than a point lower than the national rate, which stayed at 5.7 percent.

The state's wage and salary employment growth also continued to outpace the nation's in October, with Arizona adding 17,300 jobs while the nation lost 68,000 jobs. In addition, in the past 12 months Arizona's wage and salary employment has grown 2.9 percent, more than twice the nation's increase of 1.3 percent.

Can Arizona maintain its upward direction while the nation falters and stalls? Those who contend Arizona has already seen its worst job losses in construction and manufacturing say yes. They argue that Arizona has already taken its hit for this cycle's downturn. As long as the national recessionary trough is short and shallow, Arizona need not fear being pulled into decline.

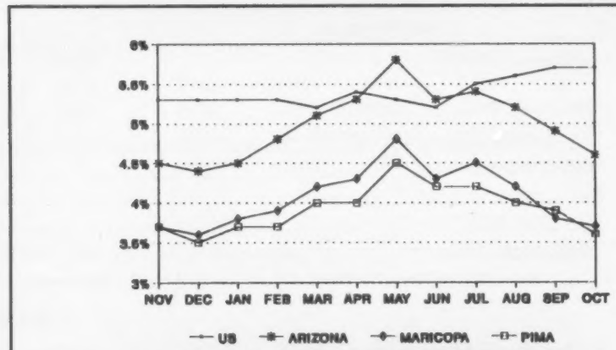
Through October, at least, Arizona's fortunes have been tolerable. Job growth was close to the post-1982, expansion average for the month. Most of the growth came in trade, services, and government — at about seasonal levels for trade and government, a bit less than seasonal for services.

Manufacturing was a counter-seasonal surprise. About 700 factory jobs were added in Arizona in a month when the nation lost 60,000 factory jobs.

Although 200 new manufacturing positions were in fabricated metals factories, 500 were among non-durable goods producers. Three hundred of those were among printing and publishing companies.

Transportation, communications, and public utilities, which until recent months was growing like gangbusters, posted an anemic 200 gain. Rapidly rising jet-fuel prices have already slowed the transportation industry's growth. While recently announced financial hemorrhages by Arizona-based airlines suggest there may be job losses to come, the opening of Barry Goldwater Terminal 4 at Phoenix Sky Harbor International Airport and recently announced federal awards of international routes portend a more favorable long-term outlook.

Figure 1. U.S., Arizona, and Maricopa and Pima Counties' Unemployment Rates, November 1989-October 1990



Source: U.S. Department of Labor, Bureau of Labor Statistics; and Arizona Department of Economic Security, Research Administration

Construction Shows Signs of Life

Construction's October performance was not bad when you consider that the nation lost 80,000 construction jobs during the month. Arizona lost only 200, about 700 fewer than is seasonally normal.

The construction-related finance, insurance, and real estate (FIRE) industry gained a seasonal 400. Rumors of continued easing of credit by the Federal Open Market Committee instill hope for improvement to come in construction and FIRE. Significant gains will probably not be apparent until spring, however. The state can expect additional construction losses in northern counties as winter creeps down from the San Francisco peaks.

By October, seasonal hiring by retailers normally begins in anticipation of Christmas. Indeed, Arizona retail trade added a seasonal-normal 4,700 jobs. The industry mix of job gains, however, suggests other-than-seasonal reasons for many of the posted gains.

Department stores added the lion's share of jobs, gaining 2,100, nearly twice the seasonal normal. Openings of new and expanded malls probably account for those hires. Food stores and restaurants, on the other hand, had weak gains (200 when 800 is normal in food stores).

Reasons for weakness in restaurant hiring may be discernable from similar weakness in hotel services. Both industries may be anticipating a weak tourist season. While restaurants added only 800 of the normal seasonal 1,100, hotels posted its lowest October gain (400 of the normal 1,300) since 1981. Of course, higher fuel costs and a weakened national economy lend credibility to tourist industry caution.

While the tourist industry is looking a little pallid, health services is healthier. Health services added 500, a near-average gain for October if you discount substantial losses posted by the industry in 1983. Here, Arizona was in step with the national experience. The nation added 95,000 health-services jobs in October.

Government's 7,500 job gain is a continuation of back-to-school re-employment that started in September. Student-aid, part-time jobs were particularly prevalent among those gains.

—Ron Simon
RA Economic Analysis Manager

Arizona Labor Force and Employment

October 1990 (in Thousands)

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
				Amount	Change				Amount	Change				Amount	Change
	Oct.* 1990	Sep. 1990	Oct. 1989	Sep.- Oct.	1989 - 1990	Oct.* 1990	Sep. 1990	Oct. 1989	Sep. - Oct.	1989 - 1990	Oct.* 1990	Sep. 1990	Oct. 1989	Sep. - Oct.	1989 - 1990
TOTAL CIVILIAN LABOR FORCE**	1751.3	1746.2	1705.9	+5.1	+45.4	1083.0	1102.9	1057.5	-19.9	+25.5	318.5	287.0	314.6	+31.5	+3.9
Total Unemployment	81.1	88.4	80.2	-7.3	+0.9	40.6	44.2	42.2	-3.6	-1.6	11.7	11.7	13.1	0.0	-1.4
Rate	4.6	5.1	4.7	—	—	3.7	4.0	4.0	—	—	3.7	4.1	4.2	—	—
Rate (Sea. Adj.)***	4.6	4.9	4.8	—	—	3.7	3.8	3.9	—	—	3.6	3.9	4.1	—	—
Total Employment	1670.2	1657.8	1625.7	+12.4	+44.5	1042.4	1058.7	1015.3	-16.3	+27.1	306.8	275.3	301.3	+31.5	+5.3

Note: Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1527.1	1509.8	1483.5	+17.3	+43.6	1008.4	994.8	977.8	+13.6	+30.6	258.2	255.4	253.1	+2.8	+5.1
Manufacturing	188.9	188.2	188.4	+0.7	+0.5	139.6	139.2	140.0	+0.4	-0.4	27.1	27.0	27.2	+0.1	-0.1
Durable Goods	142.1	141.9	142.8	+0.2	-0.7	106.5	106.5	107.1	0.0	-0.6	21.5	21.4	21.8	+0.1	-0.3
Stone, Clay, and Glass	7.3	7.3	7.7	+0.0	-0.4	4.4	4.4	4.6	0.0	-0.2					
Primary and Fabricated Metals	15.8	15.6	15.7	+0.2	+0.1	10.6	10.5	10.7	+0.1	-0.1					
Primary Metals	7.8	7.8	7.7	0.0	+0.1										
Fabricated Metals	8.0	7.8	8.0	+0.2	0.0										
Machinery	58.1	58.2	59.7	-0.1	-1.6	47.5	47.7	49.2	-0.2	-1.7					
Aircraft and Missiles	27.4	27.4	26.2	+0.0	+1.2										
Lumber and Wood Products (Excluding Furniture)	8.0	7.9	7.6	+0.1	+0.4										
Nondurable Goods	46.8	46.3	45.6	+0.5	+1.2	33.1	32.7	32.9	+0.4	+0.2	5.6	5.6	5.4	0.0	+0.2
Food and Kindred Products	10.6	10.5	9.7	+0.1	+0.9	7.0	6.9	6.5	+0.1	+0.5					
Printing and Publishing	17.2	16.9	16.6	+0.3	+0.6	12.4	12.1	12.0	+0.3	+0.4					
Mining and Quarrying	12.7	12.7	12.2	0.0	+0.5	0.9	0.8	1.0	+0.1	-0.1	2.3	2.3	2.1	0.0	+0.2
Copper Mining	9.8	9.8	9.4	0.0	+0.4										
Construction	84.9	85.1	87.4	-0.2	-2.5	56.7	56.7	58.3	0.0	-1.6	14.8	14.7	15.1	+0.1	-0.3
Trans., Communications, & Public Utilities	81.0	80.8	77.7	+0.2	+3.3	57.3	57.2	54.5	+0.1	+2.8	9.8	9.7	9.5	+0.1	+0.3
Transportation	45.8	45.6	42.4	+0.2	+3.4	34.5	34.4	31.8	+0.1	+2.7	5.1	5.0	4.8	+0.1	+0.3
Communications and Public Utilities	35.2	35.2	35.3	0.0	-0.1	22.8	22.8	22.7	0.0	+0.1	4.7	4.7	4.7	0.0	0.0
Trade	380.2	374.8	369.5	+5.4	+10.7	257.5	252.3	248.3	+5.2	+9.2	59.8	59.5	59.6	+0.3	+0.2
Wholesale Trade	78.5	77.8	75.2	+0.7	+3.3	63.2	62.6	60.4	+0.6	+2.8	7.8	7.7	7.8	+0.1	0.0
Retail Trade	301.7	297.0	294.3	+4.7	+7.4	194.3	189.7	187.9	+4.6	+6.4	52.0	51.8	51.8	+0.2	+0.2
General Merchandise and Apparel	47.6	45.5	45.0	+2.1	+2.6	30.2	28.4	28.1	+1.8	+2.1	6.9	6.9	6.8	0.0	+0.1
Food Stores	48.6	48.4	49.8	+0.2	-1.2	31.2	31.0	31.7	+0.2	-0.5	7.9	7.9	8.3	0.0	-0.4
Automotive and Service Stations	36.6	36.5	35.4	+0.1	+1.2	23.4	23.2	22.4	+0.2	+1.0	5.7	5.8	5.8	-0.1	-0.1
Eating and Drinking Places	106.1	105.3	103.1	+0.8	+3.0	67.6	66.5	65.2	+1.1	+2.4	19.8	19.7	19.5	+0.1	+0.3
Finance, Insurance, and Real Estate	95.7	95.3	93.1	+0.4	+2.6	76.9	76.7	74.8	+0.2	+2.1	11.6	11.5	11.3	+0.1	+0.3
Services and Miscellaneous	412.8	409.5	394.6	+3.3	+18.2	279.1	276.2	266.8	+2.9	+12.3	75.6	74.6	72.4	+1.0	+3.2
Hotels and Lodging Places	45.8	45.4	43.0	+0.4	+2.8	28.6	28.0	26.4	+0.6	+2.2	6.7	6.4	6.3	+0.3	+0.4
Business Services	76.0	75.8	74.2	+0.2	+1.8	61.0	60.7	59.7	+0.3	+1.3	10.2	10.4	10.2	-0.2	0.0
Health Services	102.1	101.6	97.1	+0.5	+5.0	65.9	65.8	63.1	+0.1	+2.8	22.3	22.0	20.9	+0.3	+1.4
Government	270.9	263.4	260.6	+7.5	+10.3	140.4	135.7	134.1	+4.7	+6.3	57.2	56.1	55.9	+1.1	+1.3
Federal	47.2	47.7	45.7	-0.5	+1.5										

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

NOTE: Prepared by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics

Nonmetropolitan Counties
Labor Force and Employment
October 1990

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	14,550	37,225	46,575	13,175	8,625	3,075	6,400
Total Unemployment	1,800	2,125	2,400	925	475	225	375
Rate	12.4%	5.7%	5.2%	7.0%	5.5%	7.3%	5.9%
Rate (Seas. Adj.)**	14.4%	5.9%	5.8%	7.3%	5.6%	7.3%	5.7%
Total Employment	12,750	35,100	44,175	12,250	8,150	2,850	6,025
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS							
TOTAL WAGE AND SALARY	15,175	26,675	44,125	11,725	5,475	3,000	4,025
Manufacturing	600	1,350	3,500	1,525	225	25	275
Mining & Quarrying	50	175	300	1,325	0	1,775	75
Construction	400	725	1,900	300	175	125	200
T.C.P.U.	1,925	1,850	2,725	500	175	50	125
Trade	1,875	5,650	10,125	2,675	1,375	225	1,275
F.I.R.E.	450	675	725	325	125	25	100
Services & Misc.	4,675	5,200	11,525	2,250	900	125	1,050
Government	5,200	11,050	13,325	2,825	2,500	650	925

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	38,525	28,975	38,625	12,325	41,725	60,125
Total Unemployment	2,150	2,600	2,325	2,075	1,700	9,675
Rate	5.6%	9.0%	6.0%	16.8%	4.1%	16.1%
Rate (Seas. Adj.)**	5.7%	9.8%	6.5%	13.7%	4.3%	19.0%
Total Employment	36,375	26,375	36,300	10,250	40,025	50,450
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS						
TOTAL WAGE AND SALARY	27,525	22,900	30,425	10,950	29,275	29,200
Manufacturing	2,600	2,000	4,050	975	2,250	2,825
Mining & Quarrying	50	1,175	3,650	0	950	75
Construction	3,250	1,425	475	375	2,650	1,375
T.C.P.U.	1,200	1,600	1,125	700	1,100	875
Trade	8,450	4,400	5,900	4,675	7,975	8,275
F.I.R.E.	1,250	450	850	300	950	950
Services & Misc.	6,250	5,350	4,725	2,000	7,300	6,700
Government	4,475	6,500	9,650	1,925	6,100	8,125

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Oct.* 1990	Sep. 1990	Oct. 1989	Oct.* 1990	Sep. 1990	Oct. 1989	Oct.* 1990	Sep. 1990	Oct. 1989
Manufacturing	420.33	424.32	411.84	40.3	40.8	41.6	10.43	10.40	9.90
Aircraft & Missiles	653.05	662.09	612.23	45.7	46.3	44.3	14.29	14.30	13.82
Food & Kindred Prod.	339.79	359.10	340.80	38.7	39.9	40.0	8.78	9.00	8.52
Primary Metals	524.49	513.79	482.61	38.2	38.2	36.7	13.73	13.45	13.15
Machinery	386.39	376.27	383.27	38.6	38.2	39.8	10.01	9.85	9.63
Copper Mining	613.99	608.14	568.00	43.3	44.1	42.9	14.18	13.79	13.24
Construction	455.81	462.28	439.82	38.4	38.3	37.4	11.87	12.07	11.76
Utilities	715.46	739.38	705.12	43.1	45.5	43.1	16.60	16.25	16.36
Retail Trade**	255.99	262.60	252.55	32.2	32.5	33.1	7.95	8.08	7.63
Wholesale Trade	392.05	391.95	389.44	38.1	39.0	39.1	10.29	10.05	9.96

Estimated Hours and Earnings of Production Workers in Selected Industries Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Oct.* 1990	Sep. 1990	Oct. 1989	Oct.* 1990	Sep. 1990	Oct. 1989	Oct.* 1990	Sep. 1990	Oct. 1989
Manufacturing	443.06	453.00	428.28	41.1	42.1	41.5	10.78	10.76	10.32
Construction	480.64	490.53	461.35	39.3	39.4	37.6	12.23	12.45	12.27
Retail Trade**	265.51	279.98	267.58	32.3	32.9	33.7	8.22	8.51	7.94
Wholesale Trade	414.20	412.06	407.09	38.0	38.8	39.6	10.90	10.62	10.28

Estimated Hours and Earnings of Production Workers in Selected Industries Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Oct.* 1990	Sep. 1990	Oct. 1989	Oct.* 1990	Sep. 1990	Oct. 1989	Oct.* 1990	Sep. 1990	Oct. 1989
Manufacturing	354.42	359.95	371.33	36.5	37.3	38.4	9.71	9.65	9.67
Construction	396.68	407.73	387.83	36.9	37.1	37.8	10.75	10.99	10.26
Utilities	616.90	667.28	553.68	40.8	43.9	38.8	15.12	15.20	14.27

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs October 1990

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,751,306	1,670,195	81,111	4.6%
Apache	14,552	12,746	1,806	12.4
Cochise	37,222	35,092	2,130	5.7
Coconino	46,563	44,167	2,396	5.1
Gila	13,182	12,245	937	7.1
Graham	8,631	8,145	486	5.6
Greenlee	3,080	2,843	237	7.7
La Paz	6,396	6,026	370	5.8
Maricopa	1,082,977	1,042,421	40,556	3.7
Mohave	38,525	36,364	2,161	5.6
Navajo	28,973	26,374	2,599	9.0
Pima	318,411	306,753	11,658	3.7
Pinal	38,621	36,295	2,326	6.0
Santa Cruz	12,331	10,259	2,072	16.8
Yavapai	41,735	40,023	1,712	4.1
Yuma	60,108	50,443	9,665	16.1

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

(Continued from page 2)

- Changes from Unclassified — Required when a reporting unit that was assigned an "unclassified" code is assigned a specific industry or county code. (UI data are tabulated on a statewide and county basis.) This type of code change is made immediately.

Many inaccurate codes are discovered through a process known as the Annual Refiling Survey. For the survey, state employment security agencies (SESAs) mail requests to businesses to verify that an establishment's location and industrial activity have not changed. If either one has changed, establishments are asked to provide updated information.

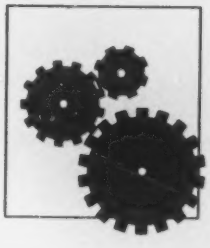
Because of the time involved in updating establishment data, major industry groups are surveyed on a rotating basis over a three-year period. The finance, insurance, and real estate (FIRE) division was surveyed in fiscal year 1989 and will not be canvassed again until fiscal year 1992.

—Dennis Doby
RA Economist

New Developments

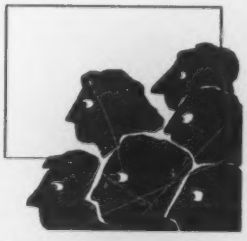
"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING — Semiconductor manufacturer **BCT-Spectrum Inc.** of Phoenix will expand its operations with the opening of a new **38,000-square-foot facility in Tempe** in March, which will be used primarily for development purposes. Acquired four months ago by Balzers Ltd. of Liechtenstein, BCT-Spectrum needed the building at University Drive and 52nd Street to have room to increase its current work force from 60 to 150.



Massachusetts-based **Digital Equipment Corp.**, citing a computer-industry slump, is **closing its north Phoenix manufacturing facility**, eliminating 476 jobs. The Digital plant, which employed as many as 1,800 workers in 1982, was involved with making printers and repairing equipment, as well as distribution and financial management. Some employees, along with production tasks, are expected to be transferred to Digital's two Tempe facilities, which employ about 500.

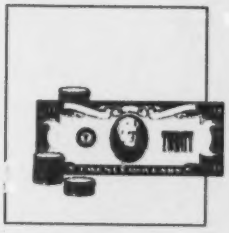
TRADE — Two warehouse-store giants continue their expansion ways in the Valley. San Diego-based **Price Savers Wholesale Warehouse Inc.** opened its **fourth Phoenix-area location** in mid-November, a 110,000-square-foot membership store at 317 S. 48th St. **Home Depot U.S.A.**, meanwhile, announced plans to build its **ninth Valley location**, at 75th Avenue and McDowell Road. Upon zoning approval, Home Depot will begin construction with a projected opening of early 1992.



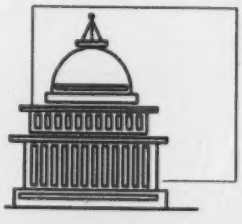
SERVICES — A slowing economy hasn't slowed down **Humana Hospital-Phoenix**, which recently opened a $24 million cardiovascular center at its medical complex at 20th Street and Thomas Road, with confirmed plans to add two medical-office buildings (with a total of more than 100,000 square feet) and a parking garage at its Phoenix campus. In addition, Humana is considering adding another medical building next to its two office buildings in downtown Phoenix, acquiring hospitals in the west Valley and doubling its current work force of 42 at its Humana Health Care Plans office, 22nd Street and Camelback Road.

Tourism and Valley officials say it's too early to determine the fallout from the defeat of the **Martin Luther King holiday** on the Arizona's tourist industry. Prior to the National League of Cities' cancellation annoucement (10,000 people expected; $7 million in lost revenue), a *Business Journal* survey of the top 28 conventions planned for the Valley in 1991 showed no major casualities. Officials say the major problem may come with booking of future conventions.

FINANCE, INSURANCE AND REAL ESTATE — **The city of Tempe** won the battle with Salt Lake City for **Chase Manhattan Bank's fourth regional credit-card processing center**, which is expected to employ about 2,000 workers by 1995 and have an annual payroll of $20 million. When Chase moves into a new $40 million building at Mill Avenue and University Drive in early 1992, the New York-based bank is expected to initially employ 500, then increase its work force to 1,100 by late 1993, and reach full employment two years later. The state and private sector used a variety of incentives — job-training funds, tax credits, electricity discounts — to lure the corporate banking giant to the Valley.



GOVERNMENT — Two sites in eastern Arizona are under consideration for a $120 million project that would build 40 large-dish antennas for receiving radio waves to study the formation of galaxies and stars. The federal government is looking at sites near **Springerville** and **Alpine**, in addition to a location in New Mexico, for the **The Millimeter Array** project, which is expected to employ 90 people and have an annual operating budget of $6.5 million when it's fully operational in 1998.



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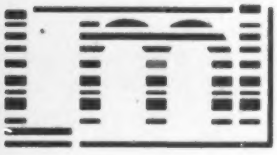

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